



California Public Utilities Commission

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PRESS RELEASE

Docket #: Res E-4786

CPUC APPROVES DEAD TREE BIOMASS CONTRACT FOR PG&E

SAN FRANCISCO, June 9, 2016 - The California Public Utilities Commission (CPUC), in response to Governor Brown's October 2015 Tree Mortality Emergency Proclamation, today amended Pacific Gas and Electric Company's (PG&E) renewable energy power purchase contract with Sierra Pacific Industries to allow for the use of dead tree biomass resulting from the drought and bark beetle infestation.

The CPUC approved PG&E to procure a maximum of 186 gigawatt-hours of additional energy per year from five Sierra Pacific Industries biomass facilities located in Anderson, Burney, Lincoln, Quincy, and Sonora. The amendment takes the form of a unique tolling agreement - the first of its kind in California - whereby PG&E will deliver hazardous forest biomass fuel at no cost to the facilities, and buy the additional electricity generated from that fuel.

The cost of the contract is confidential to ensure that market sensitive data does not influence the behavior of bidders in future Renewables Portfolio Standard solicitations, but CPUC President Michael Picker said, "This is a great price for customers, and it also reduces fire hazards. This contract sets a high bar for all other biomass facilities in California."

The Governor issued an [emergency proclamation](#) in October 2015 requiring the CPUC to find ways to use contracts for the energy generated by dead tree biomass as a way of reducing the fire risk of having millions of dead trees throughout the state.

California's Renewables Portfolio Standard requires utilities to have up to 33 percent of retail sales



come from eligible renewable resources by December 31, 2020, and up to 50 percent by December 31, 2030.

The proposal voted on is available at:

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M162/K114/162114186.PDF>.

For more information about the CPUC, please visit www.cpuc.ca.gov.

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